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**DeNUCCI SAYS STATE TAKES NEEDLESS \$8.3 MILLION HIT
DUE TO BIG DIG ROAD REPAIR DISPUTE**

State Auditor Joe DeNucci reported today that a road construction dispute between two state authorities, the Massachusetts Turnpike Authority and the Massachusetts Port Authority, has cost the state an unnecessary \$8.3 million in financing and remains unresolved after nearly 10 years of discussion.

DeNucci's report reviewed the Turnpike's activities in resolving long-standing quality issues which needed to be addressed prior to the transfer of roadways serving Logan International Airport to Massport. Massport refused to take ownership of the roadways, stating that they were in unsatisfactory condition, and withheld for an extended period of time a final \$50 million payment it was required to pay under a Big Dig funding plan approved by the Legislature. Since then, Massport has paid all but \$12.4 million of its original \$365 million obligation, but the dispute remains unresolved and the two authorities continue to disagree on the cost of remedial work needed to make the roadways acceptable to Massport.

Because Massport was unable to access the bond market for a period of time after the September 11, 2001 terrorist attacks, and because of the need for Big Dig funding, the Commonwealth fronted the money owed by Massport to the Turnpike Authority. The total additional state borrowing cost resulting from late or unpaid reimbursements to the state treasury amounted to \$8.3 million.

DeNucci's audit concluded that the Massachusetts Turnpike Authority was largely responsible for this additional cost because of their inability to complete the work necessary to correct the deficient condition of the roadways it was to have handed over to Massport. These problems, which included leaking tunnel walls and cracks in access ramps, date back to the late 1990's when Massport first notified Big Dig officials of construction items they considered unsatisfactory.

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A joint task force of the two agencies has been working to resolve the issue, but Massport believes the cost of the remaining remedial work is \$12 million while the Turnpike Authority has placed it at \$4.6 million. Completion of these repairs has been delayed for several years.

“My previous audits have disclosed problems with construction and quality control with the Ted Williams Tunnel dating back a decade,” said DeNucci. “It is understandable that Massport did not want to pay for and assume ownership of these roadways until it was satisfied that these construction quality issues were addressed.”

DeNucci urged both authorities to resolve the outstanding remedial repair issues and reach an agreement on the amount needed to complete the work.

“Both Massport and the Turnpike Authority have indicated they are now working together cooperatively and have made significant progress toward resolving these repair issues,” said DeNucci. “I hope this is done quickly so that there will be no additional negative financial impact on the Commonwealth. I also urge the Turnpike Authority to pursue cost recovery action against the responsible contractors.”